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इस भाग में भिन्न दृष्टि पृष्ठा दी जाती है जिससे कि यह अरण्य संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF STEEL, MINES & METALS

(Department of Iron & Steel)

RESOLUTION

New Delhi, the 19 July, 1967

No. DUR-21(4)/66.—In their Resolution dated the 12th September, 1966, the Government of India had in consultation with Hindustani Steel Ltd. and with their concurrence, appointed a one-man Committee, consisting of Shri G. Pande, ex-Vice-Chancellor, Roorkee University to conduct an expert review of the problems of Durgapur Steel Plant in their individual as well as integrated aspects.

2. The Committee submitted its final Report in April, 1967. It is a very comprehensive study of the working of the Steel Plant and has drawn attention to shortcomings in organisation, inadequacy or absence of management systems and insufficiency of equipment. It has also made recommendations for improving the skills and abilities of the employees and has pointed out the need for developing better employee attitudes and industrial relations.

A summary of the various recommendations and Government's decisions thereon taken after consulting HSL is given in the Annexure.

3. The recommendations are mainly operational in nature. Their implementation would require concerted and detailed action at plant level over a period of time. In order to ensure that the necessary improvements are brought about speedily, Government intend to arrange for periodical reviews of the practical steps taken to give effect to these recommendations.

4. Government wish to place on record their high appreciation of the thoroughness with which the Committee has studied the various problems and made practical and constructive recommendations and in particular, of the efforts made by the Committee in bringing together the Railways and Plant authorities and helping them to resolve several outstanding problems relating to wheels and axles production.

ORDER

ORDERED that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary.

H. LAL,
Secretary to the Government of India.

ANNEXURE

S. No.	Recommendation of Committee	Government's Decision
<i>Overall Plant Performance</i>		
1.	The Plant should improve control over quality of raw materials, processes and products and reduce its off-grade production.	Accepted. Steps are in hand to carry out systematic reviews of the performance of the plant in this respect against prescribed targets.
2.	The management should take special action to arrest the fall in labour productivity which has been rapid specially in 1965-66 if the incidence of overtime is converted [into] equivalent number of men.	Accepted.
<i>Coke Ovens</i>		
3.	The pace of repairs should be stepped up and staff of the refractory department be associated with the work for getting trained.]	Accepted. The progress of repairs is kept constantly under watch and operational staff, including that of the refractory Deptt. have been associated with the work.
4.	Duties should be prescribed for all staff, and proper maintenance schedules be laid down and acted upon and good house-keeping enforced.	Accepted. S. No. 74 may also be seen.
5.	The standard 3-shift-system should be introduced in place of the 7-day rota system.	Accepted. Implementation requires the confirmation of the West Bengal authorities who are being constantly reminded to expedite the same.
6.	Bonus system should be re-examined and put on a more scientific footing.	Accepted. A thorough examination of the incentive bonus system should be undertaken.
<i>By-Products Plant</i>		
7.	Maintenance must be considerably improved and operation of the Plant put on a proper footing.	Accepted.
8.	The plant be placed under the independent charge of a Superintendent reporting directly to the General Superintendent.	Accepted.
<i>Blast Furnace</i>		
9.	Efforts must be made to attain coke rate of 750 KG per tonne. For this additional facilities like use of sinter, top pressure, high blast temperature etc. have to be put to use.	Accepted. Resources for installing the additional facilities have specifically been provided for in capital budget for 1967-68.
10.	Control at the Blast Furnace must be exercised to keep the silicon content within 1.35%	Accepted.
11.	The rising costs and lower productivity should be examined by the Plant Management.	Accepted.

S. No.	Recommendation of Committee	Government's decision
12.	Excessive loss to the extent of Rs. 47 lakhs in 1965-66 due to the bleeding of blast furnace gas to atmosphere should be looked into and efforts made for its better utilisation, especially in the power plant.	Accepted.
	<i>Steel Melting Shop</i>	
13.	A detailed study should be made to reduce the bunching at shift ends and to control off-grade production.	Accepted.
14.	The house-keeping and removal of slag should be improved and the Industrial Engineering Department should be asked to make a study of the problem of removal of slag efficiently.	The General Manager has already been instructed to have a special study made of these aspects and take necessary remedial steps on a priority basis.
15.	Flue dust cleaning arrangement should be repaired and put into proper working order.	
	<i>Rolling Mills</i>	
16.	The maintenance should be strengthened and streamlined to reduce the excessive down times.	Accepted. A team headed by the Chief Engineer of the Central Engg. and Design Bureau of HSL should go into the question of the working of the Blooming Mill and advise in the next month or two on the steps to be taken to gear it up so as to be able to roll 1.6 million tonnes of ingots per annum.
17.	The operational practices should be improved and more effective inspections should be introduced at different stages to reduce production of off-grade steel.	Accepted.
18.	The declining trends of labour productivity should be examined and if there is over-manning at any point, it should be rectified at the 1.6 million tonne stage.	Accepted.
	<i>Wheel and Axle Plant and Sleeper Plant</i>	
19.	Interstage inspection by Research and Control should be strengthened.	Accepted.
20.	A proper system of production planning for this shop should be instituted at an early date.	Accepted.
21.	A detailed study is called for to correct the defects in the present Bonus Scheme.	Accepted.
22.	The plant should be examined by a team of foreign and Indian experts well versed in wheel steel making and processing. It will be advisable to send two senior officers abroad to make on the spot study of the techniques of the corresponding plants.	Accepted. This Expert Team is expected to start its work early in August, 1967.

S.No.	Recommendation of Committee	Government's decision
<i>Sleeper Plant</i>		
23.	Maintenance should be improved at all points and metallurgical, rolling and pressing defects should be minimised by better control on processes and operations.	Accepted.
24.	A proper study should be made to determine the correct basis of payment of incentive bonus to the staff based on good performance.	Accepted.
25.	D.S.P. should give on loan the sleepers required by the Railways for carrying out certain tests which if successful will bring down the rejections in sleepers considerably and will also help in the reduction of the present stocks.	Accepted.
<i>C. E. M. Shops</i>		
26.	Time studies should be made to determine standard time for the different jobs.	Accepted.
27.	A study should be made to see if the system of production planning and control for the Shops is adequate and effective and if not, it should be streamlined.	Accepted.
28.	Balancing tools and additional staff needed to improve production should be considered so that the maximum possible load of making spares may be taken by the shops.	Accepted. HSL is being asked to instruct the C.E. & D.B. to prepare a Project Report and submit the same within four months.
29.	Proper studies should be made to determine standard times for different jobs for determination of a rational bonus scheme based on efforts of individuals and groups.	Accepted.
30.	It should be ascertained if the system of production planning and control is adequate and effective and it should be streamlined.	Accepted.
31.	The control of the Foundry should be removed from the charge of the Chief Superintendent (C. & I.) and should be put under the charge of a new post of Superintendent (Shops and Foundry) so that the shops and the Foundry work as complementary units under him.	Accepted.
<i>Maintenance</i>		
32.	A special organisation should be set up under the General Superintendent for making detailed inspection of the state of all plant assets according to a prescribed schedule.	Accepted.

S.No.	Recommendation of Committee	Government's decision
33.	The centralised Maintenance Organisation should be geared to discharge its duties in an efficient manner to arrange for spares in time and to develop competence in men.	Accepted.
34.	Preventive Maintenance and Inspection Procedures at Durgapur have to be put on a sound footing. Proper preventive maintenance system should provide for detailed annual and monthly plans for shut down of equipments to be prepared in consultation with all concerned.	Accepted.
<i>Materials management</i>		
35.	Stricter consumption norms for various kinds of materials will have to be adopted and any further increases in the usage rates are to be resisted.	Accepted.
36.	Joints sampling of coal at destination must be made obligatory.	The matter has been under examination. As this requires interdepartmental discussions a decision on this will be taken in consultation with Departments concerned.
37.	Introduction of selective preparation of coal has to be actively considered at least on experimental basis.	Accepted.
38.	The much needed Beneficiation Plant at Bolani to make available beneficiated fines to the Sinter Plant should be installed early.	Accepted.
39.	Inspection wings for materials must be strengthened in order to improve quality, and quantity control on raw materials.	Accepted.
40.	Efforts should be made to reduce the inventories of spares, stores and semi and finished goods.	Accepted.
41.	The Committee has already recommended to the General Manager the creation of a high level organisation for planning and procurement of spares. This is essential for an effective spares management, as an essential aid in Plant Maintenance.	Accepted.
<i>Production, Planning and Control</i>		
42.	A few senior officers from D.S.P. should study the system in vogue at Rourkela and Bhilai in order to install an effective system of Plant control at Durgapur.	Accepted.
43.	Departments of Production Planning and Control and Energy and Economy should be placed under a new post of Assistant General Superintendent incharge of co-ordination of all Plant activities.	Accepted in part. For the present, it would be adequate if the Department of Production, Planning and Control is brought into existence under a Superintendent as in Bhilai. The position can be reviewed later, if necessary.

S. No.	Recommendation of Committee	Government's decision
44.	Production Control Cells should also be placed under the Department of Production Planning. At a later date the direct maintenance function of the Energy and Economy Department may be transferred to the Chief Electrical Engineer and he may be redesignated as Power Engineer as in Bhilai.	Accepted.
45.	The services of the Department of Production, Planning and Control should be utilised for codification, upkeep and issue of all operation and maintenance instructions, procedure orders etc. which are of common use by the various departments.	Accepted.
46.	Functions of Manpower Planning should be transferred from the Personnel Department to the Industrial Engineering Department. Similarly, the Production Control Cells at the Steel Melting Shops and the Soaking Pits should be transferred from the Industrial Engineering Department to the Centralised Department of Production Planning and Control.	Assessment of manpower requirements should be undertaken by the Industrial Engineering Department, while recruitment, training, placement, etc. would continue to vest in the Personnel Department. Transfer of the Production Control Cells to the Department of Production Planning and Control is accepted.
47.	The Industrial Engineering and the Research and Control Departments should be placed under the General Manager. A separate Wing in the Research Control Department may be established for carrying out investigation into the failures on the metallurgical and chemical fronts.	Accepted.
48.	The Management should make a complete review of the existing suggestion scheme and analyse the causes for its ineffectiveness, and devise measure to make it work better.	Accepted.
49.	A Technical Wing headed by an Assistant General Superintendent and assisted by two qualified and experienced engineers should be created to assist the General Superintendent in watching performance of the different units, removing bottlenecks, improving efficiency and reducing costs.	The need for a Technical Wing is accepted. For the present, it is enough if a Technical Wing is created with an Assistant Superintendent or a Superintendent in charge. The co-ordinations functions could be discharged by the General Superintendent himself. The position may be reviewed later, if necessary.
50.	It will be most desirable to create in the Head Office half a dozen posts of specialists at a very senior level who should be highly experienced experts in the different aspects of iron and steel technology.	This recommendation will be kept in view when deciding the top management structure of Public Sector Steel Plants, which is separately under review.
51.	For the purpose of assessing the performance and productivity of the various units in HSL in detail and to give suggestions for improvement, Performance Assessment and Development Teams should be formed with one of the Technical Officers in the Head Office as its Convenor. The other Members should be	In addition to inspection by teams as proposed here, studies by high level Expert Commissions with experts from outside HSL may also be desirable.

S. No.	Recommendation of Committee	Government's decision
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the representatives of the Departments concerned, Industrial Engineering Department and the Cost Branch. A scrutiny by such teams must be conducted simultaneously in all the plants in the same units and with the same Head Office Officer as Convenor to ensure uniformity of approach and to get better results.

52. Inspection of each section of the Plant by officials higher up in hierarchy than the departmental heads must be undertaken as a matter of normal top management policy, the aim being to assist the plant in doing better.

53. A Development Council should be created with the General Manager as its Chairman, Chief Indl. Engineer as Secretary and some key top officials as members in order to frame annual development plans for the various units and departments well in advance of the coming year.

Personnel Management and Industrial Relations

54. Detailed work studies must be undertaken to determine the manning requirements of the various Departments of the Plant on a scientific basis. This work should be done by the Industrial Engineering Department. The manpower Planning should be considered by the Head Office and the final decision on manning at various levels taken on a comparative basis for all Plants.

55. The existing imbalance in the ratio of direct recruits to promoted posts in the grade of Rs. 400—950 should be corrected.

56. The flight of experienced personnel from the plant should be checked.

57. It is necessary to finalise the promotion policy for non-executives and make it known to all concerned.

58. Effective channels of promotion should be laid down.

59. The training effort has to be intensified to take care of the training needs specially in Departments like Wheel and Axle Plant. The Training Department should be placed under the Personnel Manager.

60. The Industrial Relations situation at Durgapur has not been very happy, and efforts should be made to improve staff discipline making various Committees like Works Committee, Labour Committee function properly.

Accepted.

As the Department of Production Planning and Control would be able to spell out the individual development plans and dovetail them into a Plant development plan, a separate Development Council is not considered necessary.

As indicated against No. 46 above, while manpower assessment will be done by the Industrial Engineering Department, manpower planning including recruitment, training, placement, etc. will be done by Personnel Department. The rest of the recommendation is accepted.

Accepted. HSL is being asked to take corrective action.

Accepted. HSL should undertake a detailed investigation of this problem.

Accepted.

Accepted.

Accepted. A Training Advisory Committee may also be set up.

Accepted.

S. No.	Recommendation of Committee	Government's decision
61. The calibre of Officers in the Personnel Department has also to be improved.	Accepted.	
62. Instead of getting a Personnel Manager from the State Services, it will be more prudent to select a proper person having requisite qualifications from HSL Plant, cadre, or if such a person is not available, from outside sources on a permanent basis.	Accepted in principle, in keeping with the policy of developing talent from within the steel plants to take up the higher management positions. Till such time as suitable persons from within the plants cannot be found for this position, deputation from other sources including State services will have to be continued.	

Incentive Scheme

63. Management should rationalise the scheme on individual or inter-dependent group basis after work Studies have been conducted by the Industrial Engineering Staff to the necessary extent. Accepted in principle. Invoking the assistance of experienced Management Consultants in the conduct of the studies is also under consideration.

64. The system of production reporting and computation of bonus earnings should be streamlined. The Industrial Engineering Department should compute the earnings on the basis of the production on reports rendered by the Inspection Agencies. Accepted in principle. As it is not considered desirable to impose line functions on the Industrial Engineering Department as far as possible, the Management will select an appropriate agency to compute incentive earnings on an independent and objective basis.

65. All levels of all the Departments of the Plant should be covered by properly instituted bonus schemes. This question is separately under examination.

Financial Management, Cost Control and Sales

66. The Plant should prepare realistic operation budget based on sales, the final budget culminating in planning action in various areas for achievement of profit objectives. The budget must be regarded as an instrument for profit planning and control. Accepted.

67. Adequate control must be exercised to minimise all kinds of losses but special attention should be given to the large number of thefts in the Plant. Accepted.

68. Strict watch on overtime payments should not only be continued but efforts should be made to reduce them. Accepted. The management are already taking steps to curtail overtime and these steps are appreciated.

69. There is a very good case for effecting economy in the subsidy/deficit due to the provision of amenities and conveniences to staff. Facilities provided by the Plant for transport should be gradually withdrawn without causing any undue hardships to workers and staff. This is left to Hindustan Steel Limited to consider and decide.

70. A permanent Standing Committee for cost reduction should be formed to study costs of departments, one by one. Cost consciousness should be built up in the entire organisation. Accepted.

S. No.	Recommendation of Committee	Government's decision
71.	Cost and performance data should be supplied appropriately and in time to all levels of executives including the Assistant Foreman.	Accepted.
72.	The system of standard costing should now be introduced.	Accepted.
73.	The entire policy of the Plant must be directed towards meeting the customer requirements. Substantial improvement is required in order to make the products of Durgapur Export-worthy.	Accepted.
<i>Plant Reorganisation and H. S. L.</i>		
74.	Duties and responsibilities of all non-executive and executive personnel upto the level of the General Superintendent must be defined and made known to them.	Accepted. A programme for the preparation of job specifications should be worked out so that the progress can be appraised.
75.	There should be no intermediary level between the General Superintendent and the Departmental Heads, who should report to the former directly.	Accepted.
76.	The scale of pay for the Superintendents of major departments should be enhanced.	The form in which the emoluments of Superintendents of major departments should be improved is under consideration.
77.	A post of Assistant General Superintendent should be created, who will be incharge of the proposed Department of Production Planning and Control and will effect the necessary coordination between the Heads of the various Departments.	For the present, it would be adequate if the Department of Production Planning and Control is brought into existence under a Superintendent as in Bhilai. The position can be reviewed later, if necessary.
78.	A reshuffling of some Departments between the Commercial Manager and the Officer-on-Special Duty (Town) would be most desirable.	Accepted. Action on this has already been initiated.
79.	Advisory Council should be formed to assist the Officer-on-Special Duty in the sphere of welfare activities of the township. The old designation of OSD should also be corrected.	This is left for HSL to decide.
80.	A post of coordination Manager, reporting to the General Manager be created, who will coordinate the work of Industrial Engineering and Research and Control Departments, besides performing other functions.	This is left for HSL to decide.
81.	Composite teams of CMERI and HSL should be formed in order that maximum advantages accrue to both organisations.	HSL is being instructed to devise a suitable procedure for periodical consultations.
82.	The Superintendents and other senior officers of important departments in HSL should meet regularly for pooling and exchange of knowledge and experience.	This is left for HSL to decide.
83.	Promotions to managerial posts should be made on inter-Plant basis and transfers at these levels should also be undertaken in a planned manner.	Accepted.